

## **EXHIBIT 1**

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

STEPHEN M. FRIEDBERG,	:	
	:	
Plaintiff,	:	CIVIL ACTION
	:	
v.	:	No. 02-CV-3193
	:	(Judge Yohn)
MUTUAL HOLDINGS, LTD., et al.,	:	
	:	
Defendants.	:	
	:	

**RULE 26(a) DISCLOSURES OF STEPHEN M. FRIEDBERG**

Pursuant to Federal Rule of Civil Procedure 26(a), plaintiff Stephen M. Friedberg provides the following disclosures.

**A. INDIVIDUALS LIKELY TO HAVE DISCOVERABLE INFORMATION  
THAT FRIEDBERG MAY USE TO SUPPORT HIS CLAIMS**

1. Stephen M. Friedberg, 4204 Tamarack Lane, Murrysville, PA 15668. Mr. Friedberg has knowledge of the underlying facts supporting the allegations in the Complaint.
2. David Alexander, 44 Church Street, PO Box HM 2064, Hamilton HM HX Bermuda. Mr. Alexander may have knowledge of the circumstances upon which the dividends in question were declared and the agreement to transfer those dividends from the shareholder accounts to other investment accounts subject to Mr. Friedberg's direction and control.
3. Andrew Lewis, 40 Wellesley Road, Swarthmore, PA 19081. Mr. Lewis has personal knowledge of the circumstances upon which the dividends in question were declared and of the agreement to transfer those dividends from the shareholder accounts to other investment accounts subject to Mr. Friedberg's direction and control.

4. Steve Gitter, Morgan Stanley, c/o Margaret Manolokis, Stradley Ronon, Great Valley Corporate Center, 30 Valley Stream Parkway, Malvern, PA 19355-1481. Mr. Gitter has knowledge of the deposit of the dividends in question, and accumulated earnings, in accounts with Morgan Stanley (formerly deposited with Legg Mason, Prudential Securities, Inc., Dean Witter Reynolds, Inc., and Morgan Stanley Dean Witter); the terms and conditions of such accounts; the direction and control of Mr. Friedberg over the funds in such accounts; and the daily management of the funds in such accounts.

5. Gary Roche, Legion Insurance Company, c/o Charlotte E. Thomas, Wolf Block Schorr and Solis-Cohen, LLP, 1650 Arch Street, Philadelphia, PA 19103. Mr. Roche has personal knowledge of the circumstances upon which the dividends in question were declared and the agreement to transfer those dividends from the shareholder accounts to other investment accounts subject to Mr. Friedberg's direction and control.

Mr. Friedberg reserves the right to supplement this list should he identify additional individuals as his investigation continues.

**B. DESCRIPTION BY CATEGORY AND LOCATION OF ALL DOCUMENTS, DATA COMPILATIONS AND TANGIBLE THINGS IN THE POSSESSION, CUSTODY OR CONTROL OF FRIEDBERG THAT FRIEDBERG MAY USE TO SUPPORT HIS CLAIMS**

Friedberg possesses documents concerning the investment of the dividends, and accumulated earnings, maintained and managed in the Morgan Stanley accounts, including, but not limited to, quarterly statements. Friedberg also possesses various correspondence between him and the Mutual defendants.


Friedberg reserves the right to supplement this list should he locate additional documents as his investigation continues.

**C. ANY INSURANCE AGREEMENTS UNDER WHICH ANY PERSON CARRYING ON AN INSURANCE BUSINESS MAY BE LIABLE TO SATISFY PART OR ALL OF A JUDGMENT WHICH MAY BE ENTERED OR TO INDEMNIFY OR REIMBURSE FOR PAYMENTS MADE TO SATISFY THE JUDGMENT**

N/A.

**D. ANY PERSON WHO MAY BE USED AT TRIAL TO PRESENT EVIDENCE UNDER RULES 702, 703 OR 705**

Mr. Friedberg will timely disclose any expert retained subsequently, together with the report(s) and other disclosures required pursuant to Rule 26(a)(2) of the Federal Rules of Civil Procedure.

  
\_\_\_\_\_  
David Smith, Esquire (ID No. 21480)  
Han Nguyen, Esquire (ID No. 85860)  
SCHNADER HARRISON SEGAL  
& LEWIS LLP  
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Philadelphia, PA 19103

Attorneys for Plaintiff

Dated: June 28, 2005

**CERTIFICATE OF SERVICE**

I hereby certify that on the 28<sup>th</sup> day of June 2005, a true and correct copy of the foregoing Rule 26(a) Disclosures was served by first class mail, pre-postage paid, on the following:

Margaret Manolakis, Esquire  
Stradley Ronon Stevens & Young, LLP  
Great Valley Corporate Center  
30 Valley Stream Parkway  
Malvern, PA 19355-1481  
Attorneys for Defendant Morgan Stanley

Douglas Christian, Esquire  
Ballard Spahr Andrews & Ingersoll, LLP  
1735 Market Street, 51<sup>st</sup> Floor  
Philadelphia, PA 19103  
Attorneys for the Mutual Defendants

  
\_\_\_\_\_  
Han Nguyen

## **EXHIBIT 2**

8/24/2005 Lewis, Andrew

8/24/2005 Lewis, Andrew

1 do.  
2 A. I work with insurance  
3 agents and brokers with their large  
4 corporate insurance buyers  
5 structuring the insurance programs.  
6 So it's sales, marketing,  
7 underwriting, analysis.  
8 Q. When did you join Keystone?  
9 A. Approximately April of  
10 2002.  
11 Q. Prior to that you were  
12 employed by Commonwealth Risk  
13 Services, Inc.; is that correct?  
14 A. Yes.  
15 Q. For how long were you with  
16 CRS?  
17 A. Beginning approximately the  
18 fall of 1989.  
19 Q. Tell me what you did  
20 generally for CRS.  
21 A. I was a salesman, and I was  
22 in charge of marketing the entire  
23 suite of MRM products, Mutual Risk  
24 Management, to agents and brokers and

1 A. Don't know.  
2 Q. Mutual Holdings Bermuda  
3 Limited?  
4 A. Don't know.  
5 Q. Mutual Indemnity Limited?  
6 A. Don't know.  
7 Q. Mutual Indemnity Bermuda  
8 Limited?  
9 A. Don't know.  
10 Q. You don't know whether you  
11 were employed by any of those  
12 companies?  
13 A. My business card had two  
14 companies. I originally was hired by  
15 Legion Insurance Company, and then I  
16 was -- subsequently left Legion in an  
17 inter-company move and went to  
18 Commonwealth Risk Services. As far  
19 as who I was employed by, I do not  
20 know. Mutual Risk Management had a  
21 corporate structure that was set up  
22 for tax motivation, and I don't know  
23 who I actually worked for.  
24 Q. I'm going to move to strike

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8/24/2005 Lewis, Andrew

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1 their customers.  
2 Q. Did you have an employment  
3 agreement?  
4 A. I had at least one, if not  
5 two.  
6 Q. Do you still have those?  
7 A. I could not locate them.  
8 Q. Do you believe you have  
9 them, but you haven't been able to  
10 locate them?  
11 A. I could not locate them, so  
12 I don't know where they are.  
13 Q. Do you know when the last  
14 time strike that -- when did you last  
15 look at either of those agreements?  
16 If you recall.  
17 A. It would have been sometime  
18 around the year 2000, 2001 probably.  
19 Q. Were you ever employed by  
20 any of these companies, Mutual  
21 Holdings Limited?  
22 A. Don't know.  
23 Q. IPC Mutual Holdings  
24 Limited?

1 the answer as nonresponsive after and  
2 including the word Mutual.  
3 MS. SMITH: Objection to  
4 the motion to strike. It was  
5 perfectly responsive.  
6 BY MR. CHRISTIAN:  
7 Q. You never received a  
8 paycheck from any of those companies  
9 I mentioned, did you, Mr. Lewis?  
10 A. To my knowledge, I don't  
11 believe so.  
12 Q. You produced paystubs in  
13 response to the subpoena; correct?  
14 A. I produced every paystub  
15 that I had.  
16 Q. Did you have a chance to  
17 see who the company was on your  
18 paystubs?  
19 A. I did not look at every  
20 paystub. You requested every single  
21 paystub since 1989. I located a few.  
22 Q. Do you have any paystubs  
23 other than what you produced pursuant  
24 to the subpoena?

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8/24/2005 Lewis, Andrew

1 believe I called Brooke as well to  
2 ask her questions, Brooke Hertzler,  
3 and she was going to ask you your  
4 opinion on a couple of my questions.  
5 Q. Do you understand what  
6 question I asked you, sir? Will you  
7 listen to this, please.  
8 MR. CHRISTIAN: Would you  
9 read it back, please.  
10 (The reporter read back the  
11 following testimony:  
12 "Q Did you feel it was  
13 important to go over the items on the  
14 subpoena with counsel for  
15 Mr. Friedberg?"  
16 THE WITNESS: With  
17 Mr. Friedberg's counsel? That's your  
18 question?  
19 BY MR. CHRISTIAN:  
20 Q. Yes.  
21 A. I did it out of courtesy.  
22 Q. Tell me what you remember  
23 about going over these items with  
24 Mr. Friedberg's counsel.

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1 A. My comment was that they  
2 wanted a lot of information. I  
3 didn't have the majority of the  
4 information they were looking for,  
5 because that would have been at, in  
6 my Commonwealth Risk files, and I  
7 would begin gathering.  
8 I questioned them, too,  
9 about the paystubs and do you think  
10 that Mutual Indemnity meant every  
11 single paystub since 1989, and they  
12 said you need to ask Brooke, or  
13 excuse me, they said yourself.  
14 Q. What else do you remember  
15 even generally about what was  
16 discussed when you went over this?  
17 A. Just my comment that I  
18 don't have many of the documents that  
19 they're looking for.  
20 Q. You don't remember anything  
21 else about what was discussed even  
22 generally; is that correct?  
23 A. It wasn't a long  
24 conversation, no.

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1 Q. Was that shortly after you  
2 received the subpoena?  
3 A. That would have been on the  
4 23rd or the 24th.  
5 Q. What was the next  
6 discussion you had with Mr. Friedberg  
7 and/or his counsel relating to the  
8 subpoena?  
9 A. I believe I had a call with  
10 Mr. Friedberg saying, and I can't  
11 remember if it was before or after  
12 the 22nd, but it was within that time  
13 frame, that I either was going to get  
14 subpoenaed, or I was -- or I received  
15 the subpoena. I did not talk about  
16 the details of the subpoena with  
17 Mr. Friedberg.  
18 Q. Did you express any  
19 concerns in any communication you  
20 ever had with Mr. Friedberg about the  
21 subpoena?  
22 A. None at all.  
23 Q. Do you remember anything  
24 else about this conversation with

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1 Mr. Friedberg you just testified  
2 about?  
3 A. Not relevant to this case.  
4 Q. Relevant to business  
5 dealings?  
6 A. No.  
7 Q. Is he a friend of yours?  
8 A. No.  
9 Q. Have you read his  
10 deposition transcript?  
11 A. I have.  
12 Q. For what purpose?  
13 A. For entertainment purpose  
14 mainly. Having known him for years.  
15 Q. Mr. Lewis, this is a very  
16 serious situation.  
17 A. I am being very serious.  
18 Steve Friedberg sitting still for six  
19 hours is an entertaining concept.  
20 Q. For what other purpose did  
21 you read the deposition transcript?  
22 A. That was my purpose.  
23 Q. I just want to give you a  
24 second to consider that answer. Do

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1 you have anything you'd like to add  
2 to that?  
3 A. I guess for curiosity as  
4 well.  
5 Q. Did you ask for a copy of  
6 the transcript, or did someone  
7 suggest that you read it?  
8 A. I was told that the  
9 transcript was out. I believe I was  
10 asked if I wanted a copy. I believe  
11 I initially said I don't need one. I  
12 believe then it came up again and I  
13 said fine, send it to me, because I'm  
14 going to Bermuda and I will read it  
15 on the airplane.  
16 Q. Someone suggested to you  
17 that you read it; correct?  
18 A. Yes.  
19 Q. Who suggested that to you?  
20 A. It would have been one of  
21 the three attorneys.  
22 Q. Did they lead you to  
23 believe why they wanted to you read  
24 it?

1 A. I did.  
2 Q. Why did you read  
3 Mr. Gitter's transcript? Again, for  
4 its entertainment value?  
5 A. No. It came in the same  
6 package.  
7 Q. Well, did someone suggest  
8 that it would be a good idea for you  
9 to read Mr. Gitter's transcript?  
10 A. I don't remember if that  
11 came up. It did come mailed in a  
12 package.  
13 Q. Did you take any notes of  
14 your review of the transcripts?  
15 A. I did not.  
16 Q. Did you provide any  
17 information to counsel for  
18 Mr. Friedberg relating to your review  
19 of the transcript or as a result of  
20 your review of the transcripts?  
21 A. Could you repeat that  
22 question, please.  
23 (The reporter read back the  
24 following testimony:

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1 A. I believe the quote was, I  
2 think you will find it amusing.  
3 Q. Who said that to you?  
4 A. It was one of the three  
5 attorneys.  
6 Q. Well, do you know who it  
7 was?  
8 A. I really don't. It may  
9 have been a conference call. The  
10 reference was to you losing your  
11 temper.  
12 Q. So they wanted you to read  
13 it because they thought you would  
14 find it amusing; that's what one of  
15 them said to you?  
16 A. We think you'll find it  
17 amusing. I believe that was the  
18 quote.  
19 Q. Was there any other reason  
20 given or suggested for your reading  
21 the transcript?  
22 A. Uh-uh. No.  
23 Q. Did you read Mr. Gitter's  
24 transcript?

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1 " Q. Did you provide any  
2 information to counsel for  
3 Mr. Friedberg relating to your review  
4 of the transcript or as a result of  
5 your review of the transcripts?"  
6 THE WITNESS: I do not  
7 believe I did.  
8 BY MR. CHRISTIAN:  
9 Q. How about to Mr. Friedberg?  
10 A. I do not believe I  
11 commented to him about his  
12 deposition.  
13 Q. Have you commented to him  
14 about Mr. Gitter's deposition?  
15 A. I do not believe I did.  
16 Q. Have you commented to  
17 anyone, including any of your  
18 colleagues at work, about either  
19 deposition?  
20 A. No.  
21 Q. How many times did you read  
22 them?  
23 A. I read them once.  
24 Q. What did you do with them

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1 I don't know what else they did.  
2 Q. What did you hear? Did you  
3 hear anything about what they did?  
4 A. From my coworkers?  
5 Q. From anybody.  
6 A. No.  
7 Q. What was the next  
8 conversation you had with anybody  
9 about the subpoena or the documents  
10 being produced pursuant to the  
11 subpoena after that person reviewed  
12 the documents and left?  
13 A. The documents were in a box  
14 and I would have received -- I did  
15 receive a phone call from -- I'm not  
16 sure if it was Mr. Rega or Ms. Smith  
17 about the documents and they said  
18 that certain documents were not  
19 relevant, those were the accounting  
20 documents that I alluded to.  
21 Q. Are those the only  
22 documents they mentioned in that  
23 call?  
24 A. And then there was a

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1 Q. I mean that's what you  
2 said. Which documents in this  
3 conversation did they indicate were  
4 not relevant? You've said the  
5 accounting documents; correct?  
6 A. There were accounting  
7 documents on the -- with Legion  
8 Insurance Company and the two  
9 December of 2004 e-mail cover notes  
10 with the same document behind them.  
11 I do not believe there were any other  
12 documents.  
13 Q. By that answer you mean you  
14 don't believe you were advised that  
15 any other documents were irrelevant  
16 in that conversation. Is that what  
17 you meant?  
18 A. Yes.  
19 Q. What did you say in  
20 response to that?  
21 A. Okay.  
22 Q. Okay, what? Did they want  
23 you to take them out of the box?  
24 A. They said those were not

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1 document from December of 2004 with  
2 an e-mail cover note to Mr. Rega, and  
3 I cannot remember if it was a back  
4 and forth or two independent ones,  
5 but it was one document.  
6 Q. So accounting documents and  
7 these December '04 e-mails were  
8 documents. Were they the only two  
9 types of documents mentioned in this  
10 phone call that weren't relevant?  
11 MS. SMITH: Objection.  
12 Mischaracterizes his testimony. He  
13 indicated that the first section --  
14 MR. CHRISTIAN: I don't  
15 need a speaking objection. I'll  
16 rephrase the question.  
17 MS. SMITH: Thank you.  
18 BY MR. CHRISTIAN:  
19 Q. In the conversation with  
20 someone from Mr. Rega's firm, whoever  
21 it was indicated that certain  
22 documents in the box were not  
23 relevant. Am I right so far?  
24 A. Relevant, sure.

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1 relevant, take them out of the box.  
2 I said okay.  
3 Q. Did you have any other  
4 discussion during that conversation  
5 about the subpoena or the documents  
6 to be produced?  
7 A. Not to my recollection.  
8 Q. So you took those documents  
9 out of the box and then what was the  
10 next event or conversation relating  
11 to the subpoena or the documents?  
12 A. I'm not sure exactly. My  
13 recollection is that I would have  
14 called Brooke to arrange for the  
15 service, copying service, to come  
16 out.  
17 Q. Now, when you talked with  
18 Ms. Hertzer, did you tell her that  
19 you had removed certain documents at  
20 the suggestion of Mr. Friedberg's  
21 counsel?  
22 A. We talked about a -- I'm  
23 trying to remember the phrase that  
24 she used -- about a document that I

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1 had prepared that was not to be  
2 submitted, and I said I understand  
3 which document she's talking about.  
4 Q. Prior to that conversation  
5 you had with Ms. Hertzer regarding --  
6 you're talking about the affidavit;  
7 is that correct?  
8 A. I am.  
9 Q. Prior to the conversation  
10 with Ms. Hertzer about the affidavit,  
11 had you had a discussion with anyone  
12 else regarding whether that document  
13 should be produced responsive to the  
14 subpoena or pursuant to the subpoena?  
15 A. You mean that document, you  
16 mean the affidavit?  
17 Q. Or any drafts.  
18 A. The affidavit was  
19 determined not to. It was told to me  
20 that it was not to be produced.  
21 Q. By whom?  
22 A. By one of the three, if not  
23 all of the three, plaintiff  
24 attorneys.

1 this lawsuit; correct?  
2 A. Yes.  
3 Q. Why did you not produce  
4 those?  
5 A. I don't have them. It's  
6 not our corporate philosophy to keep  
7 e-mails that are nonrevenue  
8 generating. We have a small company  
9 with limited server space; we delete  
10 everything.  
11 Q. Did you delete any e-mails  
12 relating to this lawsuit after you  
13 received the subpoena?  
14 A. I do not believe so.  
15 Q. Did you ever have a  
16 discussion with counsel for  
17 Mr. Friedberg or with Mr. Friedberg  
18 regarding deletion of any e-mails  
19 either generally or specifically?  
20 A. Yes. I told them that we  
21 delete our e-mails at our company.  
22 Q. How did that come up?  
23 A. I said I don't have very  
24 many e-mails.

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1 Q. And that was before your  
2 conversation with Ms. Hertzer about  
3 it; is that correct?  
4 A. Yes.  
5 Q. All right. So they told  
6 you not to produce accounting  
7 documents, they told you not to  
8 produce two December '04 e-mail cover  
9 notes with the accounting documents,  
10 they told you not to produce the  
11 affidavit. Did they tell you not to  
12 produce anything else?  
13 A. Not to my recollection.  
14 Q. Did they tell you not to  
15 produce certain e-mails that went  
16 back and forth among you and the  
17 lawyers for Mr. Friedberg?  
18 A. No.  
19 Q. There have been e-mails  
20 between you and lawyers for  
21 Mr. Friedberg over the last couple of  
22 years; correct?  
23 A. Yes.  
24 Q. Some of them relating to

1 Q. So they asked you about  
2 e-mails and you said you don't have  
3 very many?  
4 A. I'm not sure if they asked  
5 me or I initiated it, but that came  
6 up and I said I don't keep e-mails.  
7 Q. After that conversation did  
8 you delete any e-mails relating to  
9 this matter?  
10 A. I do not believe so.  
11 Q. When did you have that  
12 conversation? Was it before or after  
13 you got the subpoena?  
14 A. After.  
15 Q. Do you have any e-mails  
16 relating to this lawsuit that you did  
17 not produce?  
18 A. There would have been  
19 extensive e-mails at MRM, so my -- so  
20 I did not produce any of those.  
21 Q. But you don't work at MRM.  
22 A. I do not.  
23 Q. I'm asking for e-mails you  
24 have access to at work or at home.

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1 a draft of the attachment?

2 A. This?

3 Q. Yes. The privilege law.

4 A. No.

5 Q. You see on the first page

6 of Exhibit 35, the first line is

7 quote, in response to your letter

8 earlier today regarding documents

9 from Mr. Lewis' files not produced,

10 please see the documents listed

11 below, and then there's a list of

12 documents. Do you see that?

13 A. Uh-huh.

14 Q. Counsel for Mr. Friedberg

15 determined what documents would not

16 be produced from your files. Is that

17 true?

18 A. Yes.

19 Q. I think you've talked about

20 most of these already. The

21 spreadsheets, are they the accounting

22 documents you referred to?

23 A. Yes.

24 Q. Were they prepared in

1 testimony were e-mails from Kristy

2 Ireland. Do you see that?

3 A. Yes.

4 Q. Who is Kristy Ireland?

5 A. She works at Research

6 Underwriters.

7 Q. Do you know what e-mails

8 are referred to there?

9 A. I believe that was the

10 e-mail and the attachments associated

11 with those e-mails are listed below.

12 That's my recollection.

13 Q. I am done with 35.

14 Let's talk about your

15 preparation for this deposition. I

16 think you testified a little earlier

17 that you set aside yesterday. Was

18 that to meet with counsel for

19 Mr. Friedberg?

20 A. Yes.

21 Q. With whom did you meet?

22 A. With the three attorneys.

23 Q. Mr. Nguyen, Ms. Smith and

24 Mr. Rega?

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1 connection with the suit that was

2 brought by Legion in the Commonwealth

3 Court?

4 A. I'm not sure how to answer

5 that in connection with. They were

6 part of. I don't, I don't know who

7 prepared them.

8 Q. Do they relate in any way

9 to any aspect of this lawsuit?

10 A. My understanding is that

11 this lawsuit is E-11, E-14 and U-21.

12 Q. Yes.

13 A. So these were involved with

14 other share series, so no.

15 Q. So these are unrelated to

16 any aspect of this lawsuit; is that

17 correct?

18 A. I believe they are.

19 Now, I'm sorry. Your

20 question was on the accounting.

21 Q. Yes. The spreadsheets.

22 A. Okay.

23 Q. Now, a couple of documents

24 I don't think we talked about in your

1 A. Yes.

2 Q. Where did you meet?

3 A. At Schnader's office.

4 Q. For how long did you meet?

5 A. The meeting went from

6 approximately 2:00 until

7 approximately 5:15.

8 Q. Then did you have dinner or

9 drinks or did you head home, or do

10 something else?

11 A. And then I tried to shed a

12 little culture on Mr. Rega, showing

13 him the Liberty Bell, Independence

14 Mall, and Society Hill, and Queen

15 Village, and then we had dinner at

16 Rittenhouse Square.

17 Q. So you met with him, met

18 with the lawyers until about 5:15,

19 you gave Mr. Rega a tour of

20 Philadelphia, and then you had dinner

21 with Mr. Rega; correct?

22 A. Uh-huh. Yes.

23 Q. Did you meet with any

24 counsel for Mr. Friedberg this

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1, please give me all the discussions  
2 including meetings.  
3 A. It is probable and likely  
4 that we had numerous discussions all  
5 through the years. I'm not sure I  
6 would remember any specific other  
7 than the Mutual Indemnity meeting in  
8 2002. I believe there was another  
9 meeting in Bermuda at Mutual  
10 Indemnity preceding that, and there  
11 may have been yet another preceding  
12 that.  
13 In advance of those  
14 meetings there would have been  
15 numerous phone calls from discussing  
16 hotel arrangements, travel  
17 arrangements, meeting arrangements,  
18 information to bring. There was a  
19 financial transaction between MRM and  
20 Research Underwriters, and I believe  
21 Mr. Rega represented Research  
22 Underwriters on that. I'm not sure  
23 of that time frame. I believe that  
24 was '96 or '97.

1 Q. Did he tell you why he  
2 wanted that information?  
3 A. My recollection is that  
4 there were lawsuits at the time with  
5 Mutual Indemnity, and he wanted to  
6 get a better understanding of the  
7 components of the programs.  
8 Q. Where did you meet with  
9 him?  
10 A. I believe it was in my  
11 office.  
12 Q. Was anyone else there?  
13 A. No.  
14 Q. How long did it last? Do  
15 you know?  
16 A. I think it was the better  
17 part of the day. I believe he came  
18 in the morning and I believe he left  
19 late afternoon.  
20 Q. So he asked detailed  
21 questions regarding MRM's structure  
22 and Mutual Indemnity. Did you  
23 discuss anything else?  
24 A. That's pretty broad.

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1 Q. What generally was that  
2 financial transaction?  
3 A. There was a New York City  
4 livery program that Research  
5 Underwriters acted as the, I'll call  
6 it MGA for, and Mutual Risk  
7 Management bought out their interest  
8 in that program and the servicing  
9 responsibilities.  
10 Q. Okay. I've heard enough.  
11 Why don't you continue with your  
12 chronology. Thank you for explaining  
13 that to me.  
14 A. So that is about up to  
15 2002. I do not believe I had any  
16 face-to-face meetings with Mr. Rega  
17 after that until maybe December of  
18 2004, plus or minus.  
19 Q. What were the circumstances  
20 regarding that meeting?  
21 A. Mr. Rega was asking me  
22 detailed questions of the MRM  
23 structure and particular reference to  
24 Mutual Indemnity.

1 Q. My question is, did you  
2 discuss anything else?  
3 A. Relevant to this case,  
4 probably not. We both like our  
5 respective football teams and  
6 baseball teams and we have a rivalry,  
7 but it was limited to the MRM, Mutual  
8 Indemnity, and we would have --  
9 within the MRM structure would have  
10 been Legion as well.  
11 Q. Did he tell you why he was  
12 asking these questions?  
13 A. He wanted a better  
14 understanding of how everything  
15 worked. The MRM program structures  
16 were very complicated.  
17 Q. So you spent a day talking  
18 with Mr. Rega about this?  
19 A. Yes.  
20 Q. Did you receive any  
21 compensation?  
22 A. I don't believe he even  
23 bought me lunch.  
24 Q. Why did you spend a day

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1 talking to Mr. Rega about this?

2 A. Because I felt it was

3 necessary. I have spent an

4 incredible amount of time with

5 customers and their attorneys on

6 Legion issues, Mutual Indemnity

7 issues, and MRM issues.

8 Q. There were confidentiality

9 provisions in your employment

10 agreement; is that correct?

11 A. I don't have any

12 recollection of confidentiality

13 agreement within my employment

14 provision.

15 Q. Did you tell anyone from

16 any of the MPM-related companies that

17 you were going to or had met with

18 Mr. Rega?

19 A. I had numerous discussions

20 with Mr. Pickering. I had

21 discussions with Mr. Watson, I had

22 discussions with Mr. Alexander. They

23 knew that I was trying to get both

24 sides to agree.

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1 Q. Do you have any financial

2 interest in the outcome of this case?

3 A. I'm a shareholder of MRM.

4 So to the extent MRM does well, my

5 shares will go up or down in value.

6 Q. Do you have any other

7 financial interest in the outcome of

8 this case?

9 A. No.

10 Q. Do you honestly expect the

11 resolution of this case to have any

12 effect whatsoever on the value of the

13 MRM shares you hold?

14 A. Mr. Pickering told me that

15 if Mr. Friedberg wins, it has the

16 possibility of jeopardizing all of

17 the remaining MRM assets.

18 Q. Do you honestly believe

19 that the outcome of this case has any

20 effect on the value of the MRM shares

21 you hold?

22 MS. SMITH: Asked and

23 answered.

24 MR. CHRISTIAN: I'm asking

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1 what he believes, Ms. Smith.

2 MS. SMITH: Asked and

3 answered.

4 MR. CHRISTIAN: I'm not

5 asking what someone told him.

6 MS. SMITH: Same

7 objection. Asked and answered.

8 THE WITNESS: Can I answer

9 it at all?

10 BY MR. CHRISTIAN:

11 Q. Please do.

12 A. No.

13 Q. What do you think your

14 shares are worth right now,

15 Mr. Lewis?

16 A. I could sell my shares

17 certificate on eBay for greater value

18 than I could realize from selling my

19 shares. So that would be a nominal

20 number.

21 Q. De minimus; correct?

22 A. Yes. Latin was not my

23 strength.

24 Q. They're not worth anything,

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1 are they?

2 A. No. Actually I think they

3 are trading for cents on the dollar.

4 Q. And you have no other

5 financial interest in the outcome of

6 this lawsuit; is that correct?

7 A. That's correct.

8 Q. Have you ever had a

9 financial interest in the outcome of

10 this lawsuit since you left CRS?

11 A. No.

12 Q. So is it your testimony

13 that Mr. Pickering or Mr. Watson or

14 Mr. Alexander knew that you were

15 going to spend a day with Mr. Rega

16 answering detailed questions about

17 MRM?

18 A. No. They knew that I was

19 working with Mr. Friedberg to try to

20 get a resolution to the

21 circumstances.

22 Q. Why was it in your

23 financial interest for that to happen

24 or succeed?

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1 commented just that these structures  
2 were a true win for all parties  
3 involved, meaning the insurance  
4 companies made out, the reinsurance  
5 companies made out, the agents and  
6 the brokers made out, and the  
7 shareholders made out, and how unique  
8 that was in the business world that  
9 everybody takes out.

10 Q. And included in those  
11 entities was Mr. Friedberg's company;  
12 correct?

13 A. Yes.

14 Q. Do you remember anything  
15 else about that day-long meeting?

16 A. Just discussions on my  
17 opinion on the current status of the  
18 Legion liquidation and current status  
19 of Mutual Indemnity and the Mutual  
20 Indemnity companies, what was  
21 happening to the various different  
22 people, who was running it, running  
23 Mutual Risk Management.

24 Q. Have you ever met with

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1 Mr. Gentile?

2 A. I do not believe I've ever  
3 had a face-to-face meeting with him.

4 Q. Have you ever had telephone  
5 conversations with him?

6 A. I had conversations with  
7 him.

8 Q. Telephone conversations?

9 A. Telephone conversations.  
10 Excuse me.

11 Q. And was Mr. Rega involved  
12 in any of those?

13 A. Meaning a three-way  
14 conversation?

15 Q. Yes.

16 A. I do not remember that. He  
17 may or may not have been. I have no  
18 recollection.

19 Q. Let's get back to your  
20 meetings with Mr. Rega. You talked  
21 about the December '04 meeting. When  
22 was the next face-to-face meeting you  
23 had with Mr. Rega?

24 A. My recollection was when

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1 Mr. Rega came to Philadelphia to meet  
2 with Ron Williams at Legion.

3 Q. When was that? Do you  
4 know?

5 A. It was either late spring,  
6 early summer.

7 Q. 2005?

8 A. In 2005, yes.

9 Q. Did you discuss any aspect  
10 of this lawsuit when you met with  
11 Mr. Rega that day?

12 A. I don't believe so.

13 Q. Or on any of those days?

14 A. No. It was really the  
15 Legion issue.

16 Q. When was the next face-to-  
17 face meeting you had with Mr. Rega?

18 A. I believe it was when he  
19 was in town, in Philadelphia, excuse  
20 me, for Mr. Friedberg's deposition.  
21 I don't know the date of that. You  
22 have it in your records somewhere.

23 MR. CHRISTIAN: Let's go  
24 off the record.

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1 RECESS

2 BY MR. CHRISTIAN:

3 Q. We were beginning to talk  
4 about the meeting you had with  
5 Mr. Rega when he was in town for  
6 Mr. Friedberg's deposition. So I'd  
7 like to ask you a few questions about  
8 that.

9 Who attended that meeting?

10 A. My recollection was that it  
11 was the three attorneys,  
12 Mr. Friedberg, were there, and then I  
13 came in, I believe I came in right at  
14 lunchtime and then left shortly  
15 thereafter. So I don't think there  
16 was anybody else.

17 Q. Was that the day of  
18 Mr. Friedberg's deposition?

19 A. I don't, I don't believe  
20 so. I think it was in advance. I  
21 think it was the day before.

22 Q. I see. What was the  
23 purpose, as you understood it, of  
24 your attending that meeting?

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1 A. They had asked if I would  
2 come to the meeting in case they had  
3 questions.  
4 Q. So you were there for how  
5 long?  
6 A. I would say between two and  
7 three hours.  
8 Q. Discussing various issues  
9 with Mr. Friedberg and his lawyers in  
10 preparation for Mr. Friedberg's  
11 deposition; is that correct?  
12 A. I believe that to be  
13 accurate.  
14 Q. And the lawyers or  
15 Mr. Friedberg asked you to come to  
16 that meeting. Is that true?  
17 A. I believe that to be the  
18 case.  
19 Q. Did they tell you why they  
20 wanted you to be at that meeting?  
21 A. I believe they said in case  
22 they had questions.  
23 Q. Where did that occur?  
24 Schnader's offices?

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1 A. Schnader's office.  
2 Q. Tell me what you recall  
3 being discussed at that meeting.  
4 A. My recollection is they  
5 were asking about Mutual Indemnity  
6 employees, Paul Watson, David  
7 Alexander, Neville Billimoria, Ellen  
8 Charley, Gary Roche, Dale Gawley, and  
9 the remainder were the Mutual  
10 Indemnity account executives. Do you  
11 want me to -- my recollection, keep  
12 going through that list?  
13 Q. If you wouldn't mind, yes.  
14 A. Jason Flaxbeard, Lisah -- I  
15 can't remember Lisah's last name.  
16 Lisah with an H. Gran Mollineau. As  
17 an aside, I'll spell these; they're  
18 hard. Ian Kolowski, Angela  
19 Rawcliffe, another Ian whose name  
20 escapes me right now, but the basic  
21 questions were who were these people  
22 and what did they do for Mutual  
23 Indemnity, and that was the fair  
24 amount of the back and forth, trying

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1 to answer those questions.  
2 Q. During the two or three  
3 hours that you were there, there were  
4 conversations other than answering  
5 questions relating to these people  
6 are and what they did. Is that fair?  
7 A. Yes.  
8 Q. Did you talk about any  
9 aspect of what Mr. Friedberg might  
10 expect at his deposition, issues or  
11 questions, anything along those  
12 lines?  
13 A. No. They were mainly  
14 asking me questions personnel  
15 related, personnel related to Mutual  
16 Indemnity.  
17 Q. When you say "mainly," what  
18 I'm trying to understand is what else  
19 you discussed. Do you remember?  
20 A. Yes. There were a series  
21 of, I guess, interactions between  
22 Mr. Friedberg and the senior MPM  
23 executives. Mr. Mulderig our  
24 chairman, bought a Porsche from

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1 Mr. Friedberg and Mr. Friedberg, when  
2 Mr. Mulderig drove from Pittsburgh to  
3 Rhode Island, did not give him the  
4 proper papers, and Mr. Mulderig was  
5 very upset with that. We discussed  
6 that at length.  
7 Q. What else did you discuss?  
8 A. Mr. Friedberg was -- the  
9 president of MPM, John Keesock, John  
10 Keesock -- Mr. Friedberg bought John  
11 Keesock a Porsche 911, we talked  
12 about that, and the difference  
13 between those two individuals and  
14 cars.  
15 Q. What else did you discuss?  
16 A. We talked about the timing  
17 of the original Legg Mason account  
18 with Mr. Fischetti. They asked did I  
19 remember exactly when that happened,  
20 when that account was put on. I  
21 don't know the definitive date of  
22 that. We discussed my relationship  
23 with Mr. Gitter, and actually I guess  
24 my relationship with Mr. Fischetti as

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1 well. I'm not sure what else was, if  
2 anything else, was discussed.

3 Q. Do you know whether  
4 Mr. Friedberg was at the meeting  
5 before you attended or after you  
6 left? In other words, were you there  
7 for just part of the meeting, to your  
8 knowledge?

9 A. Oh, the meeting was in  
10 process when I arrived, and I don't  
11 know what happened after I left.

12 Q. Did you discuss any of the  
13 positions of the parties in the  
14 lawsuit or the status of the lawsuit?

15 A. Can you -- positions?

16 Q. Arguments Friedberg was  
17 making. Arguments the defendants  
18 were making. Any allegations or  
19 defenses. Anything along those  
20 lines.

21 A. No. It was really directed  
22 questions at the Mutual Indemnity  
23 employees, questions asking me about  
24 Fischetti and Gitter. I don't

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1 believe there was any positioning  
2 discussed -- I'm sorry. The second  
3 part of your question was stature?

4 Q. Status of the lawsuit.

5 A. Status. I did make the  
6 inquiry like, why don't you guys just  
7 shut up and get together and fix it.

8 Q. Fix what, the dispute?

9 A. No. Just fix the -- stop  
10 yelling at each other. Mutual  
11 Indemnity and Steve were friends  
12 forever.

13 Q. Do you understand that  
14 there's a dispute between  
15 Mr. Friedberg and the defendants?

16 A. I'm not sure how I would  
17 categorize it. It's just a --

18 Q. It's a lawsuit, right?

19 A. I understand there's a  
20 lawsuit.

21 Q. And that's a dispute;  
22 wouldn't you agree with that?

23 A. I would call a lawsuit.

24 Q. There's a disagreement with

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1 regard to the parties' rights and  
2 obligations. Do you agree with that?

3 A. I'm not sure I'd say that.  
4 I'd say there's a lawsuit that  
5 shouldn't have been filed.

6 Q. By Mr. Friedberg, correct?

7 A. Actually I don't know if  
8 there's a lawsuit from Mutual  
9 Indemnity so...

10 Q. Do you remember anything  
11 else being discussed at that meeting  
12 the day before Mr. Friedberg's  
13 deposition other than what you've  
14 told us about?

15 A. I don't believe so.

16 Q. When was the next face-to-  
17 face discussion with Mr. Rega?

18 A. I believe it was yesterday.

19 Q. All right. And yesterday  
20 was a deposition preparation  
21 session. Let's talk about that.

22 A. Yes.

23 Q. Did you review any  
24 documents in preparation for your

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1 deposition?

2 A. There were two documents.  
3 One was the Mutual Holdings -- I may  
4 have this wrong -- Mutual Holdings  
5 articles of incorporation, and the  
6 second document was a letter that I  
7 received from an attorney in New  
8 Mexico and I asked Ms. Smith to tell  
9 me what it means.

10 Q. Attorney in New Mexico?

11 A. Yes.

12 Q. All right. You reviewed  
13 both of those in preparation for the  
14 deposition?

15 A. Those are the two documents  
16 that we went over.

17 Q. The only two; is that  
18 correct?

19 A. I don't have any  
20 recollection of any -- those were the  
21 only two documents.

22 Q. You looked at those  
23 documents yesterday; correct?

24 A. I did.

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1 Q. What else did he tell you?  
2 I'm talking about what Mr. Rega told  
3 you last night about Gentile, U-21,  
4 or this inquiry we had made regarding  
5 a letter.

6 A. He said that that letter  
7 was apparently used -- I'm trying to  
8 remember exactly how he said that.  
9 There was an issue with Mr. Ouimette  
10 and Mr. Friedberg upon Mr. Ouimette's  
11 divorcing his wife, which was  
12 Mr. Friedberg's sister, and he was a  
13 partner in Mr. Friedberg's business,  
14 and as part of the separation they  
15 had to determine, I guess, the share  
16 of all of the assets at hand, and  
17 that letter was used in the  
18 determination of the allocation of  
19 those assets.

20 Q. What did he tell you about  
21 how the letter was used?

22 A. It was used -- I'm trying  
23 to remember exact words -- it was  
24 used to, it was used to reduce

1 that that was something that I had  
2 routinely said no, thank you, but it  
3 was also evidence of the job that I  
4 did as a salesman for -- on their  
5 programs and for HRM.

6 Q. What else was discussed  
7 last night with Mr. Rega or anyone  
8 else involving Mr. Gentile or the  
9 letter or U-21 or our inquiries  
10 regarding the letter?

11 MS. SMITH: Objection as to  
12 form.

13 THE WITNESS: What was that  
14 last part of that question?

15 BY MR. CHRISTIAN:

16 Q. Our inquiry regarding the  
17 letter.

18 A. There was nothing mentioned  
19 on the inquiry. I'm not sure I  
20 understand that aspect of it.

21 With the U-21 program, and  
22 the offer of the ownership, it was  
23 believed by Mr. Friedberg and  
24 Mr. Ouimette that during the course

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1 Mr. Ouimette's share of the  
2 allocation.

3 Q. Used by whom?

4 A. I don't think he said by  
5 whom.

6 Q. Did you have an  
7 understanding of who used it?

8 A. I had assumed it was  
9 Mr. Friedberg.

10 Q. What other conversation did  
11 you have with Mr. Rega last night  
12 about Mr. Gentile or the letter or  
13 U-21 or our inquiry?

14 A. He asked was this a  
15 surprise and a common kind of  
16 occurrence, and I said no, it was not  
17 a surprise and no, it's not a common  
18 occurrence. Mark and Steve had,  
19 within the U-21 structure, offered me  
20 ownership in that, they had offered  
21 me ownership in other things, and a  
22 number of other clients had offered  
23 me ownership as well.

24 My comment to Mr. Rega was

1 of our relationship that -- that they  
2 had a disproportionate benefit of our  
3 relationship; that I did a lot of  
4 work and did not get compensated  
5 fairly.

6 And my comment to them and  
7 to Mr. Rega last night was that that  
8 was just evidence of a good sales job  
9 and that's how we were trained to do  
10 it. So I told him that I had no  
11 ownership; it was repeatedly offered;  
12 I had been offered a number of things  
13 from Mr. Friedberg and Mr. Ouimette  
14 over the years, from vacations, from  
15 a Ferrari, numerous other types of  
16 gifts, vacations, wines.

17 I have not accepted  
18 anything from Mr. Friedberg except  
19 for a hundred dollar bill once in  
20 Bermuda, which went to a bar tab, and  
21 then a pair of I'll say Head skis  
22 without bindings, which I gave to my  
23 sister.

24 Q. What other conversation did

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1 Now, we are here to depose  
2 Mr. Lewis. This is clearly relevant  
3 to the issue of the credibility of  
4 Mr. Lewis; I don't think there's any  
5 question about that.

6 Do you know, as you sit  
7 here today, whether your office has  
8 any of these attachments?

9 MS. SMITH: First of all,  
10 let me note what the letter says.  
11 The letter says, and I quote, I  
12 reviewed the forms along with the  
13 balance sheet. I offer the following  
14 comments: I note that the attached  
15 account statements still reflect  
16 Mr. Lewis' alleged one million plus  
17 interest, see U-21, period.

18 Now, that sentence, I  
19 think, if you read it fairly refers  
20 to attachments to the forms that were  
21 reviewed, and I note again that  
22 there's no indication on this letter  
23 of any enclosure.

24 MR. CHRISTIAN: All right.

1 initially by Mr. Friedberg. It is  
2 clearly relevant. It goes right to  
3 the heart of this witness's  
4 credibility, and it was like pulling  
5 teeth to get this document. I don't  
6 know why it was not produced  
7 initially. Do you?

8 MS. SMITH: I believe in  
9 discussions with Mr. Nguyen that he  
10 indicated it was an oversight, and I  
11 believe as soon as he discovered it  
12 it was produced.

13 Let me note for the record  
14 that there is no indication yet that  
15 there are any documents relating to  
16 this letter which have not already  
17 been produced to you that are within  
18 our client's possession, custody or  
19 control. As a courtesy, we will look  
20 again.

21 MR. CHRISTIAN: Please do  
22 so. I will get the witness.

23 (Mr. Lewis came back into  
24 the room.)

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1 I'll make the request again. Will  
2 you please provide me with the  
3 documents referenced in this letter?

4 MS. SMITH: We will  
5 endeavor to be sure that we have  
6 produced all of the responsive  
7 documents that are available to us.  
8 We think we've already done it. As a  
9 courtesy, we will double-check.

10 MR. CHRISTIAN: Well, I  
11 don't think it's to be done as a  
12 courtesy. We don't have much time  
13 left, so let me say that I'd like to  
14 hear from you by the close of  
15 business Friday; I'd like to see  
16 these documents. If you're not going  
17 to produce them, then we will include  
18 a reference in the motion to compel  
19 we're filing relating to this. So  
20 that should give you plenty of time  
21 to provide these documents to me.

22 And I will state for the  
23 record, Ms. Smith, I have no idea why  
24 this document was not produced

1 BY MR. CHRISTIAN:

2 Q. Mr. Lewis, have you ever  
3 had a conversation with Mr. Gentile  
4 about any aspect of this letter or  
5 the subject matter of this letter?

6 A. I have no recollection of  
7 having conversations on that. I've  
8 talked to him about their divorce.

9 Q. Well, what do you remember  
10 discussing with Mr. Gentile about the  
11 divorce?

12 A. That it was messy.

13 Q. What else?

14 A. I don't have any direct  
15 recollections other than he said some  
16 comments about Mr. Ouimette, that he  
17 was a tough customer, tough client I  
18 guess.

19 Q. Now, Mr. Lewis, have you  
20 ever seen any document that stated or  
21 suggested that you had an interest or  
22 a potential interest in the proceeds  
23 in U-21?

24 A. Other than what is in front

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1 Q. So you did not talk with  
2 them about any of the testimony you  
3 have given today; is that correct?  
4 A. I asked them generally with  
5 a deposition who sees it, and they  
6 told me that -- I can't remember what  
7 they told me. They said that the  
8 judge could see it, other people  
9 could see it, but it may not even be  
10 looked at.  
11 Q. Why did you wonder who  
12 would see it?  
13 A. Just never actually knew.  
14 Q. You've already said that  
15 you have set aside the 12th to  
16 testify; is that correct?  
17 A. I have the 12th blocked  
18 out.  
19 Q. So you've had some  
20 discussion with Mr. Friedberg's  
21 lawyers regarding at least the  
22 general areas of your testimony; is  
23 that correct?  
24 A. Really, no. Just that I

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1 would be available to testify.  
2 Q. Have you had any discussion  
3 with Mr. Friedberg or his lawyers,  
4 even in general terms, regarding what  
5 they would like you to testify about  
6 in the hearing?  
7 A. They have said numerous  
8 times that they would like me to  
9 testify and tell everything to the  
10 best of my knowledge, and tell the  
11 truth, and that would be it.  
12 Q. But they haven't given you  
13 any indication at all as to even the  
14 general areas of your expected  
15 testimony; is that correct?  
16 A. I don't believe they have.  
17 Q. So as you sit here today,  
18 you have no idea what they want you  
19 to testify about at the hearing. Is  
20 that fair?  
21 A. Did not say that. I have a  
22 fairly good idea of what they want me  
23 to testify about.  
24 Q. Well, what do you think

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1 they want you to testify about?  
2 A. My understanding of the  
3 Mutual Indemnity programs, my role at  
4 MRM.  
5 Q. Anything else?  
6 A. That's pretty broad.  
7 Q. Yeah, it is. Anything  
8 else?  
9 A. No.  
10 Q. What's the basis of your  
11 understanding as to what they want  
12 you to testify about if they haven't  
13 told you?  
14 A. I guess it was my  
15 assumption, based upon several years  
16 of hearing this, these discussions,  
17 and so I guess from your discussion  
18 with me, when you came out to my  
19 office.  
20 Q. Mr. Friedberg has asked you  
21 to be available for testimony on the  
22 12th, correct, or his lawyers have?  
23 A. His lawyers, yes.  
24 Q. Getting back real quickly

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1 to the question-and-answer document  
2 that you testified about before we  
3 took the lunch break, was that ever  
4 revised into an affidavit, to your  
5 knowledge?  
6 A. Was that --  
7 Q. Have you signed an  
8 affidavit in this case?  
9 A. I have signed an affidavit.  
10 Q. Do you have a copy of the  
11 affidavit?  
12 A. I have a copy of the  
13 affidavit.  
14 Q. Signed affidavit?  
15 A. Yes.  
16 Q. What did you do with the  
17 signed affidavit? Did you send it to  
18 one of Mr. Friedberg's lawyers or  
19 give it to one of Mr. Friedberg's  
20 lawyers?  
21 A. It was given to Han.  
22 Q. Did you give it to Han?  
23 A. I did.  
24 Q. For what purpose did you

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8/24/2005 Lewis, Andrew

8/24/2005 Lewis, Andrew

1 worked for Commonwealth Risk.

2 Q. Describe the business  
3 relationship between Keystone Risk  
4 and Mr. Friedberg or any of his  
5 companies.

6 A. The only company that  
7 Keystone Risk has involvement with  
8 Mr. Friedberg is Research  
9 Underwriters, his insurance agency.  
10 We have an active common customer,  
11 Krapf Coaches, out in Exton, that we  
12 are actually the agent of record on  
13 the policy. We took the underwriting  
14 information and negotiated a Workers'  
15 Compensation insurance contract.

16 Q. And that was obviously  
17 sometime after you started at  
18 Keystone Risk; is that correct?

19 A. Yes.

20 Q. Do you or does Keystone  
21 Risk have any other business  
22 relationship with Mr. Friedberg or  
23 any of his companies?

24 A. Presently, no.

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8/24/2005 Lewis, Andrew

1 Q. Do you hope to?

2 A. No.

3 Q. You said presently. You  
4 were drawing a distinction between --

5 A. I was.

6 Q. -- now in the future or now  
7 in the past?

8 A. In the past.

9 Q. What was the business in  
10 the past?

11 A. In the past we facilitated  
12 the acceptance of his comp advantage  
13 program after it left Legion  
14 Insurance Company with one of the  
15 Royal & SunAlliance insurance  
16 carriers.

17 Q. Why do you not hope to have  
18 additional business with  
19 Mr. Friedberg or his companies in the  
20 future?

21 A. I'm not sure if that's --  
22 if that was your original question,  
23 then I did not answer that. I  
24 thought your question was additional

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1 companies of Mr. Friedberg.

2 I am very happy having a  
3 relationship with the insurance  
4 agency of Mr. Friedberg. I have no  
5 desire to have a relationship with  
6 the other companies that I know  
7 about.

8 Q. Why is that?

9 A. They would provide very  
10 little value to my company.

11 Q. And the companies you're  
12 talking about are?

13 A. I believe Steve owns a --  
14 Mr. Friedberg owns an insurance  
15 company called Freedom Advantage. I  
16 believe he has a premium finance  
17 company. I believe he has real  
18 estate and other ventures. None of  
19 those I would care to do business  
20 with.

21 Q. You have had a role in  
22 attempting to work out a settlement  
23 of a dispute between Legion and/or  
24 the liquidator of Legion and

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8/24/2005 Lewis, Andrew

1 Mr. Friedberg or some of his  
2 companies; is that correct?

3 A. Yes.

4 Q. And that has involved your  
5 meeting with lawyers and meeting with  
6 Mr. Friedberg and at least attempting  
7 to meet with representatives of the  
8 liquidator; is that correct?

9 A. Yes.

10 Q. Has that involved travel to  
11 Bermuda?

12 A. I can't say if any of the  
13 travels to Bermuda were specifically  
14 related to the Legion portion of the  
15 business, but the Legion portion and  
16 the Mutual Indemnity business are  
17 very intertwined.

18 Q. You have performed certain  
19 analyses to assist Mr. Friedberg in  
20 working things out with a  
21 liquidator. Would that be a fair  
22 statement?

23 A. I don't think that would be  
24 a fair statement. I think I have

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8/24/2005 Lewis, Andrew

1 reviewed, or actually been given  
2 spreadsheets and analyses on Research  
3 Underwriters' position with the  
4 liquidator.

5 Q. Is it your testimony, sir,  
6 that you have not performed any  
7 analyses whatsoever in the context of  
8 attempting to work out the dispute  
9 between the liquidator and Research  
10 Underwriters?

11 A. My definition of analyses  
12 would be the person who actually sat  
13 down with all the information and put  
14 a fair degree of effort into a  
15 spreadsheet. I have received  
16 spreadsheets. I have offered  
17 comments. I have reviewed it. I  
18 would not call that analyses. It was  
19 I have made efforts to help.

20 Q. And what benefit do you  
21 get? What benefit do you get from  
22 spending your time and presumably  
23 expenses helping that matter get  
24 settled?

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8/24/2005 Lewis, Andrew

1 in any way benefit you financially;

2 is that correct?

3 A. That is correct.

4 Q. You have also worked on  
5 behalf of Mr. Friedberg with regard  
6 to his prosecution of this claim; is  
7 that correct?

8 MS. SMITH: Objection as to  
9 form.

10 THE WITNESS: That is  
11 correct.

12 BY MR. CHRISTIAN:

13 Q. You have many documents in  
14 your files provided to you by counsel  
15 for Mr. Friedberg, correct, relating  
16 to this litigation?

17 A. That is correct.

18 Q. You have documents in your  
19 files relating to the litigation  
20 Mr. Friedberg commenced in Bermuda  
21 relating to the Mutual companies; is  
22 that correct?

23 A. That is correct.

24 Q. You have assisted

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8/24/2005 Lewis, Andrew

1 MS. SMITH: Objection as to  
2 form.

3 BY MR. CHRISTIAN:

4 Q. In other words, why do you  
5 do it?

6 A. Because I believe it's the  
7 right thing to do. I have assisted  
8 Legion Insurance Company when they've  
9 had questions. I've assisted Mutual  
10 Indemnity. I have assisted my  
11 customers. I have assisted the  
12 underwriting insurance buyers and  
13 their agents.

14 Q. As a principal at Keystone  
15 Risk, you have spent time on  
16 Mr. Friedberg's behalf trying to get  
17 the matter with the liquidators  
18 settled. Is that fair?

19 MS. SMITH: Objection as to  
20 form.

21 THE WITNESS: Yes. That's  
22 fair.

23 BY MR. CHRISTIAN:

24 Q. Even though that does not

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8/24/2005 Lewis, Andrew

1 Mr. Friedberg and/or his counsel in  
2 the prosecution of the claim in  
3 Bermuda; is that correct?

4 A. That is correct.

5 Q. Have you been paid for any  
6 of that?

7 A. For the very first time  
8 last night I got a dinner, and that  
9 is the extent to which I've been  
10 paid.

11 Q. You have flown to Bermuda  
12 on Mr. Friedberg's behalf with regard  
13 to this litigation; is that correct?

14 A. I have flown to Bermuda and  
15 met on behalf of Mr. Friedberg while  
16 I was doing other business down  
17 there. I did not make a specific  
18 trip for the sole purpose of that.

19 Q. Well, did you make any  
20 trips to Bermuda for the primary  
21 purpose of helping Mr. Friedberg in  
22 this matter?

23 A. After what date?

24 Q. After you started at

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## **EXHIBIT 3**

VIDEO DEPOSITION OF STEPHEN M. FRIEDBERG, 7/19/05

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1 I have a substantial amount of money  
2 there. I'd like to know if they're  
3 going to go under.  
4 Q. Where did you meet?  
5 A. I'm sorry?  
6 Q. Where did you meet?  
7 A. Meet who?  
8 Q. Pardon me?  
9 A. Meet who?  
10 Q. We've been talking about  
11 Andy Lewis, sir.  
12 A. Okay.  
13 Q. Do you need to take a  
14 break?  
15 A. No.  
16 Q. Okay. Where did you meet  
17 Andy Lewis?  
18 A. In Philadelphia.  
19 Q. Did you come to  
20 Philadelphia for that purpose?  
21 A. No.  
22 Q. When did you meet with him?  
23 A. I am in Philadelphia a lot.  
24 Q. Good. When did you meet

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1 A. Uh-huh.  
2 Q. Andy spent his money to fly  
3 down and try to work out this -- work  
4 out a compromise?  
5 A. Andy does a lot of  
6 rent-a-captive business and is a  
7 regular in Bermuda, and as a favor to  
8 me he said he would have a  
9 conversation with these guys.  
10 Q. Now, you tried to settle  
11 with the liquidator in the  
12 Commonwealth Court as well; correct?  
13 A. That's correct.  
14 Q. And did Mr. Friedberg --  
15 I'm sorry.  
16 Did Mr. Lewis show up with  
17 you at that time as well?  
18 A. He did.  
19 Q. And did -- did he charge  
20 you for that?  
21 A. No.  
22 Q. So he's just doing you a  
23 favor?  
24 A. Uh-huh. Yes.

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1 with him?  
2 A. I don't recall a date.  
3 Q. Was anyone else at the  
4 meeting?  
5 A. Andy and I spent a few  
6 afternoons talking about this.  
7 Q. Okay. Was anyone else at  
8 the meeting?  
9 A. I don't recall.  
10 Q. Were any notes taken?  
11 A. No.  
12 Q. Have you hired him as a  
13 consultant with regard to this  
14 dispute?  
15 A. No.  
16 Q. Didn't he go to Bermuda on  
17 your behalf, perhaps with you, to try  
18 to work something out?  
19 A. Andy did go to Bermuda to  
20 try to -- to try to resolve a  
21 compromise.  
22 Q. Who paid for that?  
23 A. Andy did.  
24 Q. Andy did.

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1 Q. A couple favors, actually.  
2 One in Bermuda, one in the  
3 Commonwealth Court situation; right?  
4 A. Perhaps.  
5 Q. What's your relationship  
6 with Mr. Lewis? Do you do business  
7 with him?  
8 A. Uh-huh.  
9 Q. You have to answer with a  
10 word.  
11 A. Yes.  
12 Q. Generally tell me what that  
13 business is.  
14 A. We insure a client  
15 together, the Krapfs, Krapf Bus  
16 Company.  
17 Q. You say you insure it  
18 together. One of your companies  
19 insures that bus company?  
20 A. Uh-huh.  
21 Q. Is that a yes?  
22 A. Yes.  
23 Q. And what's Mr. Lewis's  
24 role? He's not an insurer, is he?



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VIDEO DEPOSITION OF STEPHEN M. FRIEDBERG, 7/19/05

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1 A. Mr. Lewis is a -- is a --  
2 functions as an intermediary, so he  
3 puts programs together. And we  
4 brought the Krapfs to Mr. Lewis and  
5 Mr. Lewis constructed a Workers'  
6 Comp. program for them.  
7 Q. Do you have any other  
8 business dealings with Mr. Lewis?  
9 A. No.  
10 Q. Are you a friend of his?  
11 A. No.  
12 Q. Is he a friend of yours?  
13 A. No.  
14 Q. Have you talked with  
15 Mr. Lewis about any testimony he may  
16 have give in this case?  
17 A. Yes.  
18 Q. Tell me what you discussed  
19 in that regard.  
20 A. Testimony, I -- no details.  
21 Q. Tell me what you remember.  
22 A. I -- I've been focused on  
23 this for me, so I really don't  
24 remember.

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1 Q. Did you talk with Mr. Lewis  
2 about how he might be able to help  
3 you in this litigation?  
4 A. No.  
5 Q. So you don't remember any  
6 aspect of any discussion regarding  
7 possible testimony of Mr. Lewis?  
8 A. We talked about it.  
9 Q. Okay. But you don't  
10 remember even generally what you  
11 talked about?  
12 A. I have -- I have spent the  
13 last month and a half going through  
14 13 years' worth of documents and  
15 boxes and boxes of financial  
16 statements. I have been most  
17 concerned about me representing the  
18 facts as best as I can remember them  
19 for today. And that has been my  
20 focus.  
21 Q. But my question was, do you  
22 remember even generally what you  
23 discussed with Mr. Lewis about  
24 testimony, what the testimony he

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1 might give in this case?  
2 A. Not really.  
3 Q. Did you understand that  
4 Andy Lewis worked for Commonwealth  
5 Risk Services?  
6 A. Andy Lewis presented  
7 himself to me as a senior vice-  
8 president and as the man who would  
9 get things done.  
10 Q. Do you understand that Andy  
11 Lewis worked -- was employed --  
12 strike that.  
13 Do you understand that Andy  
14 Lewis was employed by Commonwealth  
15 Risk Services?  
16 A. Andy Lewis was also  
17 employed by Legion Insurance Company.  
18 Q. He was not employed by any  
19 of the defendants in this case, would  
20 you agree with that?  
21 A. I don't know that. We  
22 perceived the MRM Group in all --  
23 Q. Sir, you've answered my  
24 question.

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1 MR. NGUYEN: Well, hold  
2 on. If what you're about to say is  
3 relevant to your last answer, he has  
4 a right to say so on the record.  
5 MR. CHRISTIAN: Well, Han,  
6 honestly, I asked a question and he  
7 said I don't know. Now, what --  
8 what -- what can he add that's going  
9 to clarify that?  
10 THE WITNESS: Andy Lewis --  
11 Andy --  
12 MR. NGUYEN: I don't know.  
13 Why don't you ask?  
14 THE WITNESS: Andy Lewis  
15 conducted, coordinated and set up all  
16 the meetings that we had in Bermuda  
17 and Andy Lewis was present at every  
18 meeting that we had in Bermuda.  
19 BY MR. CHRISTIAN:  
20 Q. You're testifying under  
21 oath that Andy Lewis was present at  
22 every meeting you had in Bermuda?  
23 A. If not every meeting, 98  
24 percent of them. When we wanted to



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**EXHIBIT 4**

GOLDBERG, GRUENER, GENTILE  
HOROHO & AVALLI, P.C.

MARK J. GOLDBERG  
HARRY J. GRUENER  
GARY G. GENTILE  
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March 23, 2001

Patrick J. Rega, Esquire  
AMATANGELO, BAISLEY & REGA  
100 Fourth Street  
Donora, PA 15033

RE: OUIMETTE v. OUIMETTE

Dear Pat:

I reviewed the forms, along with the balance sheet. I offer the following comments: I note that the attached account statements still reflect Mr. Lewis's alleged \$1,000,000+ interest (See U21). If he intends to hold back his full amount, contrary to what we discussed on the phone, then we may have a problem. As you will recall, it was our intention to make him participate proportionately in the \$1.8 million claim of Mutual's. I believe his number would be something like 20% even without whatever adjustment Mark and Steve deemed appropriate. I propose distributing payments on an incremental basis to Mr. Lewis as the funds are released, assuming the funds will be released in installments and not in one lump sum. It is my understanding that \$1,000,000 incremental distributions will "stay under the radar" and be less controversial. In such a case, we would segregate portions of Mr. Lewis's "interest" in a separate account and release his share once all funds were repatriated.

Very truly yours,



Gary G. Gentile

GGG/7676/jep

## **EXHIBIT 5**

**MUTUAL***Put in file*Dividend Calculation

	<b>E11</b> MO MO & SF 50%	<b>E14</b> MO & SF 50%	<b>U21</b> MO MO & SF 33%	<b>M23</b> DK & DK MO & SF 25%	<b>N23</b> DK & DK & SF & MO MO & SF 25%	<b>Total</b>
Shareholders						
Side agreement						
Split						
Cash balance 31st December 2000	1,281,568	1,338,161	4,202,693	454,681	2,669,880	9,946,983
Cash balance 31st March 2001	1,167,498	1,153,607	4,153,124	334,280	2,653,513	9,462,023
Cash Movement	(114,070)	(184,554)	(49,569)	(120,401)	(16,367)	(484,960)
Potential surplus as at 12/31/00	1,289,033	1,188,494	3,140,122	113,550	1,489,048	7,220,247
Potential surplus as at <del>31/03/01</del>	1,167,498	1,027,169	3,144,076	79,071	898,039	6,315,853
	(121,535)	(161,325)	3,954	(34,479)	(591,009)	(904,394)

<b>All Shareholders</b>						
Potential Dividend Available	1,167,498	1,027,169	3,144,076	79,071	898,039	6,315,853
<b>MO &amp; SF Share Only</b>						
Potential Dividend Available						
SF & MO	1,167,498	1,027,169	2,093,955	39,536	449,019.50	4,777,177
Potential due to HRM Group						(1,800,000)
	1,167,498	1,027,169	2,093,955	39,536	449,020	2,977,177
<b>Notes</b>						
\$1.8m due to Mutual in connection with Premium Risk Group.						
The value of these programs varies substantially as they have a high proportion of their funds based in equity investments.						

*1,050,121*  
*4,027,295*



## **EXHIBIT 6**

The Warner Centre  
332 Fifth Avenue - Suite 610  
Pittsburgh, PA 15222  
Phone: (412) 281-7724  
Fax: (412) 281-6153

**HERGENROEDER, REGA  
& SOMMER, LLC**

# FACSIMILE

**To:** Gary Gentile, Esq.

**Fax No.:** 412-261-7100

**From:** Patrick J. Rega, Esq.

**No. Pgs. (Incl. Cover):** 2

**Date:** October 29, 2001

**Re:**

---

**COMMENTS:** Here's the latest numbers. I'll call you.

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**MUTUAL**Dividend Calculation

	<b>E11</b> MO	<b>E14</b> MO & SF	<b>U21</b> MO	<b>M23</b> DK & DK	<b>N23</b> DK & DK & SF & MO	<b>Total</b>
Side agreement	MO & SF		MO & SF	MO & SF	MO & SF	
Split	50%	50%	33%	25%	25%	
Cash balance 30th June 2001	1,259,560	1,160,038	4,269,694	337,883	2,194,127	9,241,302
Cash balance 30th Sept 2001	1,252,416	1,064,277	4,079,527	334,292	2,198,886	8,929,398
Cash Movement	(7,144)	(95,761)	(210,167)	(3,591)	4,759	(311,904)
Potential surplus as at 6/30/01	1,259,560	994,705	3,177,932	82,817	952,693	6,467,707
Potential surplus as at 9/30/01	1,252,416	984,827	2,971,810	79,218	957,158	6,245,429
	(7,144)	(9,878)	(206,122)	(3,599)	4,465	(222,278)

<b>All Shareholders</b>						
Potential Dividend Available	1,252,416	984,827	2,971,810	79,218	957,158	6,245,429
<b>MO &amp; SF Share Only</b>						
Potential Dividend Available SF & MO	1,252,416	984,827	1,979,225	39,609	478,579.00	4,734,656
Potential due to MRH Group						(1,800,000)
	1,252,416	984,827	1,979,225	39,609	478,579	2,934,656
<b>Notes</b>						
\$1.8m due to Mutual in connection with Premium Risk Group. The value of these programs varies substantially as they have a high proportion of their funds based in equity investments.						



## **EXHIBIT 7**

- new share series (1 or 2)  
- Life

Andy U-21

Dale Hawley - 441-295-<sup>5-6 PP</sup>  
1 ~~5548~~  
ext 267

$\frac{1}{3}$  partner - U-21

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